

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:)	
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,)	PROMESA Title III
as representative of)	Case No. 3:17-bk-03283 (LTS)
THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i> ,)	
Debtors.)	
	X	
In re:)	
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO)	PROMESA Title III
as representative of)	Case No. 3:17-cv-01685 (LTS) Case No. 3:17-bk-03566 (LTS)
THE EMPLOYEES RETIREMENT SYSTEM OF THE GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO,)	
Debtor.)	
	X	

**JOINT INFORMATIVE MOTION REGARDING DISCOVERY MATTERS IN
CONNECTION WITH THE MOTION OF CERTAIN SECURED CREDITORS OF THE
EMPLOYEES RETIREMENT SYSTEM OF THE GOVERNMENT OF THE
COMMONWEALTH OF PUERTO RICO FOR
RELIEF FROM THE AUTOMATIC STAY**

To the Honorable United States District Judge Laura Taylor Swain and the Honorable United States Magistrate Judge Judith G. Dein:

Certain secured bondholders of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (the “Bondholders”)¹ and the Financial Oversight and Management Board (the “FOMB”), as ERS’s and the Commonwealth’s representative pursuant to Section 315(b) of PROMESA (together, the “Parties”), in accordance with the Court’s request [Docket No. 493 in Case No. 17-bk-03566], respectfully submit this joint informative motion regarding discovery matters following the hearing on the Bondholders’ motions to compel and for a protective order held on May 2, 2019 in connection with the *Motion of Certain Secured Creditors of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico for Relief from the Automatic Stay* [Docket No. 3418 in Case No. 17-bk-03283 and Docket No. 289 in Case No. 17-bk-03566] (the “Stay Relief Motion”). The Parties state as follows:

1. On Wednesday, May 8, 2019, the FOMB served its contention interrogatories in accordance with the discussion held at the May 2, 2019 hearing. The Bondholders have reviewed the contention interrogatories and are preparing their responses. The Bondholders will serve their responses by May 24, 2019.

¹ The Bondholders include Andalusian Global Designated Activity Company, Glendon Opportunities Fund, L.P., Mason Capital Master Fund, LP, Oaktree Opportunities Fund IX, L.P., Oaktree Opportunities Fund IX (Parallel 2), L.P., Ocher Rose, L.L.C., Puerto Rico AAA Portfolio Bond Fund, Inc., Puerto Rico AAA Portfolio Bond Fund II, Inc., Puerto Rico AAA Portfolio Target Maturity Fund, Inc., Puerto Rico Fixed Income Fund, Inc., Puerto Rico Fixed Income Fund II, Inc., Puerto Rico Fixed Income Fund III, Inc., Puerto Rico Fixed Income Fund IV, Inc., Puerto Rico Fixed Income Fund V, Inc., Puerto Rico GNMA & U.S. Government Target Maturity Fund, Inc., Puerto Rico Investors Bond Fund I, Puerto Rico Investors Tax-Free Fund, Inc., Puerto Rico Investors Tax-Free Fund, Inc. II, Puerto Rico Investors Tax-Free Fund III, Inc., Puerto Rico Investors Tax-Free Fund IV, Inc., Puerto Rico Investors Tax-Free Fund V, Inc., Puerto Rico Investors Tax-Free Fund VI, Inc., Puerto Rico Mortgage-Backed & U.S. Government Securities Fund, Inc., SV Credit, L.P., Tax-Free Puerto Rico Fund, Inc., Tax-Free Puerto Rico Fund II, Inc., and Tax-Free Puerto Rico Target Maturity Fund, Inc.

2. As to the individual depositions, as the Parties agreed at the May 2 hearing, the individual depositions will go forward after the Bondholders answer the contention interrogatories. The Parties have further agreed that they will confer on the scope of the individual depositions once the responses to the contention interrogatories are received by the FOMB.

3. As to the issue of whether the Bondholders are relying on any oral or written communications to modify the terms of the bond documents from 2008, the Parties have met and conferred about the most efficient way to identify (i) written documents that the Bondholders contend govern the 2008 bond offering and (ii) whether the Bondholders contend that the relevant terms of those written documents have been modified. The Parties have made progress on this issue and they anticipate reaching agreement on this issue.

4. As to the FOMB's document production, the FOMB made its final production as required by the Court on May 1, 2019. On April 29, 2019, the FOMB produced its privilege log to the Bondholders. The Bondholders are continuing to review the FOMB's document productions and privilege log, and thus far have raised two issues with the FOMB, one of which has been resolved, and the other of which the FOMB is looking into. In addition, the Bondholders anticipate that, in order to assert and preserve their objections to the FOMB's assertions of the deliberative process privilege, executive privilege, attorney-client privilege, attorney work product and common interest, it is necessary for the Bondholders to file a motion to compel as to the FOMB's privilege assertions. The parties respectively state as follows:

- a. Although the Bondholders are still reviewing the FOMB's privilege assertions, at this time they do not expect their anticipated motion to compel to raise arguments that are substantially different from those issues raised in the prior motions to compel as to the privilege claims by ERS, AAFAF,

and the Commonwealth. Should the Bondholders determine that their anticipated motion raises new issues, the Bondholders will confer with the FOMB about those issues before filing the motion.

b. The Oversight Board states that a motion to compel against the Oversight Board on issues raised in the prior motions to compel as to the privilege claims by ERS, AAFAF, and the Commonwealth would be improper because Movants have not identified any objections to any of the Oversight Board's claims of privilege; further, such a motion would waste judicial resources, as the Court has already provided guidance on privilege assertions at the May 2 hearing, and Movants have not identified any issues with the Oversight Board's privilege assertions in view of the Court's guidance. As for a motion to compel on *new* issues not raised at the May 2 hearing, the Oversight Board notes that Movants have not identified any such issues to the Oversight Board—let alone conferred with the Oversight Board about such issues—and that a motion on such issues would also be improper and a waste of judicial resources.

5. The Parties appreciate the Court's attention to these matters, and will apprise the Court if it appears they need further assistance to resolve any outstanding matters discussed at the May 2 hearing.

In San Juan, Puerto Rico, today May 13, 2019.

By:

/s/ Alfredo Fernández-Martínez

Alfredo Fernández-Martínez
DELGADO & FERNÁNDEZ, LLC
PO Box 11750
Fernández Juncos Station
San Juan, Puerto Rico 00910-1750
Tel. (787) 274-1414
Fax: (787) 764-8241
afernandez@delgadofernandez.com
USDC-PR 210511

/s/ Geoffrey S. Stewart

Bruce Bennett (*pro hac vice*)
JONES DAY
555 South Flower Street
Fiftieth Floor
Los Angeles, California 90071
Tel. (213) 489-3939
Fax: (213) 243-2539
bbennett@jonesday.com
Benjamin Rosenblum (*pro hac vice*)
JONES DAY
250 Vesey Street
New York, New York 10281
Tel. (212) 326-3939
Fax: (212) 755-7306
brosenblum@jonesday.com
jgross@jonesday.com

Geoffrey S. Stewart (*pro hac vice*)

Beth Heifetz (*pro hac vice*)

Matthew E. Papez (*pro hac vice*)

Sparkle L. Sooknanan (*pro hac vice*)

JONES DAY

51 Louisiana Ave. N.W.

Washington, DC 20001

Tel. (202) 879-3939

Fax: (202) 626-1700

gstewart@jonesday.com

bheifetz@jonesday.com

mpapez@jonesday.com

ssooknanan@jonesday.com

Counsel for ERS Bondholders Andalusian Global Designated Activity Company, Glendon Opportunities Fund, L.P., Mason Capital Master Fund, LP, Oaktree Opportunities Fund IX, L.P., Oaktree Opportunities Fund IX (Parallel 2), L.P., Ocher Rose, L.L.C., and SV Credit, L.P.

/s/ Alicia I. Lavergne-Ramírez

José C. Sánchez-Castro
USDC-PR 213312
jsanchez@sanpir.com

Alicia I. Lavergne-Ramírez
USDC-PR 215112
alavergne@sanpir.com

Maraliz Vázquez-Marrero
USDC-PR 225504
mvazquez@sanpir.com

SÁNCHEZ PIRILLO LLC
270 Muñoz Rivera Avenue, Suite 1110
San Juan, PR 00918
Tel. (787) 522-6776
Fax: (787) 522-6777

/s/ Cheryl T. Sloane

John K. Cunningham (*pro hac vice*)
Glenn M. Kurtz (*pro hac vice*)
WHITE & CASE LLP
1221 Avenue of the Americas
New York, NY 10036
Tel. (212) 819-8200
Fax (212) 354-8113
jcunningham@whitecase.com
gkurtz@whitecase.com

Jason N. Zakia (*pro hac vice*)
Cheryl T. Sloane (*pro hac vice*)
WHITE & CASE LLP
200 S. Biscayne Blvd., Suite 4900
Miami, FL 33131
Tel. (305) 371-2700
Fax (305) 358-5744
jzakia@whitecase.com
csloane@whitecase.com

Counsel for Puerto Rico AAA Portfolio Bond Fund, Inc., Puerto Rico AAA Portfolio Bond Fund II, Inc., Puerto Rico AAA Portfolio Target Maturity Fund, Inc., Puerto Rico Fixed Income Fund, Inc., Puerto Rico Fixed Income Fund II, Inc., Puerto Rico Fixed Income Fund III, Inc., Puerto Rico Fixed Income Fund IV, Inc., Puerto Rico Fixed Income Fund V, Inc., Puerto Rico GNMA & U.S. Government Target Maturity Fund, Inc., Puerto Rico Investors Bond Fund I, Puerto Rico Investors Tax-Free Fund, Inc., Puerto Rico Investors Tax-Free Fund, Inc. II, Puerto Rico Investors Tax-Free Fund III, Inc., Puerto Rico Investors Tax-Free Fund IV, Inc., Puerto Rico Investors Tax-Free Fund V, Inc., Puerto Rico Investors Tax-Free Fund VI, Inc., Puerto Rico Mortgage-Backed & U.S. Government Securities Fund, Inc., Tax-Free Puerto Rico Fund, Inc., Tax-Free Puerto Rico Fund II, Inc., and Tax-Free Puerto Rico Target Maturity Fund, Inc.

Dated: May 13, 2019
New York, NY

Respectfully submitted,

/s/ Margaret A. Dale

Martin J. Bienenstock (*pro hac vice*)

Brian S. Rosen (*pro hac vice*)

Jeffrey W. Levitan (*pro hac vice*)

Margaret A. Dale (*pro hac vice*)

PROSKAUER ROSE LLP

Eleven Times Square

New York, NY 10036

Tel: (212) 969-3000

Fax: (212) 969-2900

Email: mbienenstock@proskauer.com

Email: brosen@proskauer.com

Email: jlevitan@proskauer.com

Email: mdale@proskauer.com

Luis F. del Valle-Emmanuelli
USDC-PR No. 209514
P.O. Box 79897
Carolina, Puerto Rico 00984-9897
Tel. 787.977.1932
Fax. 787.722.1932
dvelawoffices@gmail.com

OF COUNSEL FOR
A&S LEGAL STUDIO, PSC
434 Avenida Hostos
San Juan, PR 00918
Tel: (787) 751-6764/ 763-0565
Fax: (787) 763-8260

Attorneys for the Financial Oversight and Management Board for Puerto Rico, as representative of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico